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UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF CALIFORNIA, FRESNO DIVISION

In re:

SHADY ACRES DAIRY,  
Debtor-in-Possession.

Case No. 10-19058-A-11

Chapter 11

DC No. KDG-8

Date: N/A

Time: N/A

Place: United States Bankruptcy Court  
2500 Tulare Street, Fifth Floor  
Department A, Courtroom 11  
Fresno, California

Judge: Honorable Whitney Rimel

**DEBTOR'S *EX PARTE* APPLICATION FOR ORDER EXTENDING DEADLINE TO  
FILE DISCLOSURE STATEMENT AND PLAN**

Debtor, SHADY ACRES DAIRY ("Debtor"), submits this *Ex Parte Application for Order Extending Deadline to File Disclosure Statement and Plan* and represents as follows:

Shady Acres Dairy filed a Voluntary Petition under Chapter 11 on August 9, 2010. On November 3, 2010 the Bankruptcy Court entered an order requiring Shady Acres Dairy to file a plan of reorganization no later than December 31, 2010.

Frazer Frost, the accountants for Debtor, informed counsel for Debtor on December 19, 2010, that it will require additional time in which to prepare a forecast budget for Debtor for use in Debtor's plan of reorganization. This is due to the large number of year end deadlines it

1 is required to meet in the ordinary course of business and to short staffing caused by the  
2 holiday season.

3 Additionally, Debtor is in the process of negotiating with Farm Credit West regarding  
4 the repayment of its debt through a consensual plan of reorganization and believes that it would  
5 be advantageous to all creditors for Debtor to negotiate a consensual plan with Farm Credit  
6 West. Debtor has been informed that Farm Credit West does not oppose an extension of the  
7 time to file a Plan and Disclosure Statement.

8 Debtor does not believe that extending the deadline for it to file its plan of  
9 reorganization will create a hardship to its creditors because Debtor is making adequate  
10 protection payments to its secured creditors under the terms of the *Third Stipulation for Use of*  
11 *Cash Collateral* which was approved by the Bankruptcy Court on November 3, 2010 ("Third  
12 Stipulation"). Specifically, under the terms of the Third Stipulation, Farm Credit West, Laura  
13 Merrit, and Ruth Ann Larson are receiving principal and interest payments on their claims and  
14 Penny Newman Milling and Penny Newman Grain are receiving interest payments. This  
15 means that the amounts of most of the secured claims are not increasing and in most instances  
16 are being reduced on a monthly basis.

17 Based upon the foregoing, Debtor believes that good cause exists to extend the deadline  
18 for filing its Plan of Reorganization to January 31, 2011.

19 WHEREFORE, Debtor prays that the Court extend the deadline for Debtor to file its  
20 Plan of Reorganization and Disclosure Statement from December 31, 2010 to January 31, 2011.

21 December 23, 2010

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22  
23 By

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